

Drummond Press Turns to New Direction Partners for Regional Expansion

The company grew from \$12 million in 2010 to \$48 million in 2018, largely through expansion into the Atlanta market

John and Alberta (Peaches) Drummond founded the Drummond Press in Jacksonville, Florida during 1939. In those tough economic times, John and Peaches worked tirelessly to build the business and provide for their family. John would sell printing during the day and run the press at night. Peaches would run the press during the day and care for their children at night.

In the 1990s, this family-owned business added a direct mail and fulfillment division that now handles approximately 50 million pieces of mail per year. In 2006, they successfully installed the newest M110 web press in the Southeast, with significant in-line finishing capabilities. However, it was the adaptation of Lean Six Sigma manufacturing practices and commitment to integrated technology solutions that began in 2007 that has fundamentally changed the company value proposition.

The company is now run by John Falconetti, the founder's grandson, who represents Drummond's third generation leader and serves as Chairman and CEO of the business.

Over the years, Drummond's business has been enhanced through many acquisitions. These included Hilcraft Engraving in Miami, Trade Engraving in Orlando and Douglas Printing in Jacksonville. In 2010, John Falconetti met Tom Williams, a partner at New Direction Partners, at an event during Graph Expo, and shared with him that he was looking to expand to the Atlanta market.

"When Tom and I met, we had already begun a thoughtful process about who we wanted to be when we grew up," Falconetti said. "It's our 80th year in business this year, and we knew we were in a geographically challenged market in Jacksonville, where we had the majority of market share. Efforts at a "spoke and hub" distribution model, allowing us to serve other large southeastern cities was unsuccessful. While we felt comfortable with our model and what we were doing, we never were going to break out with a single location in Jacksonville. We evaluated Miami, Orlando, Tampa, Atlanta, and even Macon as locations for a second manufacturing site. We got excited about the opportunity in Atlanta. Now, looking back, our research and planning was spot-on perfect. We could not have been more fortunate to pick the Atlanta market. Many would argue we now have the largest commercial print production facilities and capabilities in the Atlanta market."

Working with Tom and New Direction Partners, Drummond was able to make three important acquisitions in the Atlanta market: Graphic Communications, Sunbelt Printing, and most recently, ProGraphics Communications "We went from zero to 60 in a very short time," Falconetti added. "We could not have done that without Tom's expertise, the relationships, the networking and the acquisition opportunities that came to us through him."

Today, Drummond's business has been consolidated into plants in Jacksonville FL, Atlanta GA and Detroit, MI. In 2010, when the company set out on this growth strategy, it had annual revenues of about \$12 million. In 2018, Drummond achieved a record \$48 million in annual revenue, with more than 45% year-over-year growth during the last fiscal year

“When we started this journey in 2010,” Falconetti explained, “we targeted 20% year-over-year revenue growth as part of our ongoing annual business plan. We were able to achieve those eight years of consecutive positive growth at an average of 19%. We feel strongly there is still a lot of runway, and we see no problem with continuing to hit the same percentage growth moving forward. Last year, it took a couple quarters to plug in our acquisitions and get it all running smoothly. This year, we will focus on organic growth, but with an overall objective of balancing acquisitive and organic growth 50/50. We have two of the largest projects in our company’s history in the pipeline that we hope will close soon, both organic. So, the year is looking great, and we feel good about achieving our goals. Getting established in Atlanta was just the shot in the arm we needed, and we have Tom and New Direction Partners to thank for helping us get established there in a fairly short timeframe.”

“John and his team deserve a lot of credit as well,” Williams stated. “Usually in the marketplace, you see a degradation of revenue following an acquisition, meaning that the acquired book of business may decline by 20% to 50%. Drummond set that on its head by taking that book of sales and increasing it by 80% to 120%. I only know one other company that has been able to achieve that.”

The company has achieved this outstanding growth by deploying a business process optimization (BPO) model. “We’re not out there selling printing; we go to market as a supply chain expert,” Falconetti stated. “We offer managed services, where we come in and provide a full assessment of the client’s needs at an enterprise level – we take time to understand what their challenges are in terms of expense control, time to market, redundancy of materials, obsolescence, etc., related to branded materials of all kinds. We look at whether they are capturing the metrics that allow them to make analytical business decisions, can we help the marketing department liberate savings in order to drive an improved ROI and whether the finance department has clear visibility into their total spend. To address this, we work with them by managing anything that has their brand on it – printing, promotional products, apparel, in a centralized technology enabled model that helps them control cost, enjoy increased efficiencies and better manage brand integrity.”

Examples of this at work include historically saving clients 22% through our in-depth assessments and postal audits that improve compliance and often reduce postal distribution costs by 15%. “Another client told us it would be great if we saved them money,” Falconetti said, “but the key thing they were looking for was time to market improvements. It was taking them three weeks to get to market. After we helped them redesign their materials and improve the product usability, they were able to reduce time to market from three weeks to two weeks. We also ended up saving them 12% to 15% as well, but that was third on their list.”

Falconetti concluded, “Tom, Peter Schaefer and I stay in touch on a regular basis. They are always there whether they are on retainer for a particular acquisition or not. They are accessible, and bring a tremendous level of knowledge and wisdom. I can’t tell you how much I value the friendship and wise counsel they have offered over the years.”